1951. File No. O. State Banks/51

Legal Department

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Subject:— Opinions regarding State Banks.

PHF

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Legal Department

A BRANCH

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Subject:— Opinions regarding State Banks.

PMP

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C O N T E N T S.

Legal Department File No. 0. State Banks / 51.

Sr. No.	R.I./S.No.	Subject.	Pages.
		Re: State Banks.	
1.	1429 / 23-1-51.	Jath State Bank Act - Section 53 - question of recovering the loans advanced by the Jath State Bank as arrears of Land revenue.	1 - 4.

GJT. 27.6.4 d.

Legal Department.

Submitted with reference to U.R. from P. & S.D. at page 52 ante.

This relates to the question of recovering the loans advanced by the Jath State Bank as arrears of land revenue by virtue of the ~~revisions of section of land revenue by virtue of the provisions of section of land revenueby virtue of the~~ provisions of section 53 of the Jath State Bank Act (No.2 of 1940) enacted by the former Jath State.

The P.W.D. has issued instructions to the Collector of South Satara to take speedy steps to recover the outstandings of the Jath State Bank as arrears of land revenue (letter to the Collector at p. 54 ante).

The Chief Secretary at p. 62 ante has requested the Addl. Secretary to see the said letter to the Collector (p. 54 ante) and advise whether it would be legal for the Collector to take action under ~~under section~~ section 53 of the Jath State Bank Act for recovery of the outstandings, under the Bombay Land Revenue Code at this stage.

GT. 26.6. 4

Local Department.

From the preamble of the Jath State Bank Act, 1949, it appears that the Jath People's Bank was sold by the shareholders of that Bank to the State Government of Jath and the State Government of Jath coverted it into the Jath State Bank and enacted a special Act to define its constitution and powers and functions. It being a special Act, it cannot correspond to any Central Acts or State Acts which have been applied to Jath State, either by the Bombay Merged States (Laws) Act, 1950 or the Merged States (Laws) Act, 1949, (No.LIX of 1949). The Act is relatable to entry "45. Banking" in List I in the Seventh Schedule to the Constitution of India. The Act has not provided ~~for distribution~~ for any share capital. As held by the Government of India in the case of Kurundwad State Bank, "it cannot also be said to be a law of the State corresponding to the Banking Companies Act, 1949 which now extends to the territories of the former Jath State and therefore it does not seem impossible for the general law and the local law to operate side by side till the State Government's objective are achieved." As the said Act continues in force by implication, all its provisions including the provision in section 53 providing for the recovery of debts of the Bank as arrears of land revenue according to the

Land Revenue Code and rules made thereunder would continue

The Bombay Land Revenue Code, 1879, has been brought into force in the territory of Jath State as a result of which the corresponding Act of the State stands repealed under section 4 of the Bombay Merged States (Laws) Act, 1950 and the debts of the Bank can be recovered under the Bombay Land Revenue Code, 1879 and rules thereunder which is law for the time being in force as contemplated by section 53 of the Jath State Bank Act, 1949.

Sd: J.R. Dhurandhar.

22/1.

Additional Secretary to Government.

U.R. to P, & S.D., No, 1429, dated the 23rd January 1951.

GJT. 27.6. 4 d.